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U.S.-PALESTINIAN RELATIONS:

SHOULD THE U.S. SUPPORT A WEST BANK/GAZA STATE?

MARCH 31, 1989

BY

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NATIONAL WAR COLLEGE

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## TABLE OF CONTENTS

<u>Issue Definition</u>	3
<u>Background and Analysis</u>	
U.S.-Palestinian Relations Since 1975	3
The Nixon Administration's Position	5
The Carter Administration's Position	5
Camp David and Egyptian/Israeli Treaty	6
The Reagan Administration's Position	9
The Bush Administration Thus Far	14
<u>U.S. Interests and Policy Objectives</u>	17
The PLO's Predicament	20
U.S. Policy Options	22
For a Palestinian State	23
Against a Palestinian State	25

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SUMMARY: Our question is: Should the U.S. support the establishment of an independent Palestinian state on the West Bank and Gaza Strip? In reality, there can be only one of two answers -- either yes or no -- although important subsidiary issues exist, notably the possibility of a "transition period" and the nature of any relationship with Jordan. Putting these subsidiary issues aside, what is the answer to our question: yes or no?

In the words of the carnival barker, "You pays your money and you takes your choice." The answer depends on which aspects of the Israeli-Palestinian dilemma strike you as most important: whether you give Israel's security needs first priority, or even absolute priority; or whether you believe that without a West Bank/Gaza state, the Palestinians will forever stir up trouble and instability, leading at some point to another war.

As is well-known, no U.S. Administration has ever openly supported the establishment of a West Bank/Gaza state for the Palestinians. In the first part of this paper, I have traced the policy lines on this question during the Nixon, Carter, and Reagan Administrations, and have sketched early elements of the Bush policies which are beginning to emerge. The end point of this survey is that the Bush Administration, like that of President Reagan, has signalled its opposition to such a state; but also of interest in the survey is a look back at the views of President Carter and Israeli Prime Minister Begin, specifically at the tension between Begin's views and Carter's vision of a comprehensive peace.

In the second half of this paper, I have addressed U.S. Interests and Policy Objectives, noting that the Palestinian state issue has never been a key U.S. concern on the part of politicians or the public at large. There are disagreements over how a Palestinian state would affect U.S. geostrategic and economic interests, but it seems evident that no U.S. decision to support such a state could be taken without a major divisive political debate.

Finally, I have reviewed the PLO's own position regarding an "independent Palestine," noting that Arafat faces a predicament after having met U.S. "conditions" for dialogue, while many still believe that the PLO can never make peace with Israel. I close by summing up arguments for and against a Palestinian state.

## ISSUE DEFINITION

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U.S.-Palestinian dialogue resumed in early 1989 as a result of Secretary of State Shultz's confirmation that Yasser Arafat, chairman of the Palestine Liberation Organization (PLO), had satisfactorily met U.S. conditions. Arafat's Geneva declarations in December 1988 represented a further advance beyond the formulations adopted by the November 1988 Algiers session of the Palestinian National Council (PNC). While Secretary Shultz approved a resumption of U.S.-PLO dialogue, he did not endorse the PNC's declaration establishing an independent Palestinian state on the occupied West Bank and Gaza Strip. As the Palestinian uprising (the "Intifada") continues, and as the Government of Israel (GOI) maintains its refusal to deal with the PLO, opinions vary within the U.S. Government about a Palestinian state. Some say the U.S. should support such a state, arguing that only in this way can there be an Israeli-Palestinian settlement. An opposing view says that the U.S. should rule out a Palestinian West Bank/Gaza state, because it is incompatible with Israel's security. Others say that a Palestinian-Jordanian confederation is the best way to promote both Palestinian political rights and Israeli security.

## BACKGROUND AND ANALYSIS

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U.S.-Palestinian Relations Since 1975

Until the recent resumption of dialogue between the U.S. and the PLO, diplomatic and political contacts had been essentially cut off since 1975. At that time -- as a side agreement to the Israeli-Egyptian disengagement in Sinai -- Secretary of State Kissinger pledged to the GOI that the U.S. would not have any substantive dealings with the PLO until the it met two conditions. These were, first, that the PLO must recognize Israel's right to exist and, second, that it must also accept Security Council Resolutions 242 and 338 as the basis for a negotiated settlement.

/A third condition, PLO renunciation of terrorism, was added later during the Reagan Administration, but it is unclear under what circumstances that third condition formally became part of U.S. policy. In 1973, Secretary Kissinger had conveyed a message to the PLO that it must forego terrorism in order to have diplomatic contacts with the U.S., but this message remained unpublicised and was not a formal "condition" at that time. /

In the intervening years, Kissinger's pledge to the GOI essentially was honored: there were several press reports of secret U.S. contacts with the PLO in European capitals and Morocco, but if these meetings occurred, nothing of substance developed from them. The U.S. Embassy in Beirut had "security" contacts with the PLO until the Palestinians were expelled from the Lebanese capital after the 1982 Israeli invasion. Andrew Young, President Carter's UN representative, was forced to resign after it became public that he had unauthorized meetings with the PLO's UN representative.

### The Nixon Administration's Position

The Nixon Administration did not have to deal with the West Bank/Gaza state idea as a viable negotiating position; at the time, there was no Palestinian or Arab consensus in favor of it. Although the Nixon Administration was not immediately faced with the Palestinian state issue, Kissinger later made clear in his memoirs that he regarded any such Palestinian state as inevitably irredentist. In Kissinger's view, the Palestinians would use such a state as a foundation from which to pursue their ambitions to recover all of Palestine. This being so, Kissinger reasoned, such a state would be out of the question.

### The Carter Administration's Position

In President Carter's first negotiating attempt with Israeli Prime Minister Menachem Begin in July 1977, he advanced a set of principles for a comprehensive peace. According to Carter's view, a comprehensive peace would:

- o include all of Israel's neighbors
- o be based on Resolution 242
- o entail open borders and free trade
- o involve Israeli withdrawal from occupied territory to secure borders
- o and create a Palestinian "entity" -- not an independent nation.

In response to Carter's demarche, Begin replied that he could agree with all of these aspects of a peace agreement:

except the Palestinian entity. This position accorded with Begin's long-standing views about "Eretz Israel," namely, that "Judea and Samaria" (under the Likud government, use of the term "West Bank" was frowned upon) were and are an integral part of Israel and can never be surrendered -- certainly not for any Palestinian state.

As a counter-proposal, Begin in December 1977 advanced his "autonomy plan," under which he would withhold Israeli claims of sovereignty over the West Bank "for a limited period," while granting the residents of the occupied territories authority over domestic affairs. As President Carter noted, Begin emphasized that he wanted peace with all his neighbors, and that there would be no separate peace with Egypt.

#### Camp David and Egyptian/Israeli Treaty

At the Camp David negotiations in September 1978, Egyptian President Sadat advanced various formulations on the Palestinian issue. Initially, he insisted upon an independent Palestinian state on the West Bank and Gaza; meeting resistance from Begin, Sadat then expressed support for "a Palestinian state that would not be independent" -- that is, one which would be dependent upon Jordan. Sadat made no headway with this suggestion; in the end, he acceded to language setting up negotiations on "how the Palestinians will govern themselves." In subsequent negotiations on the Egyptian-Israeli peace treaty, Sadat insisted upon linkage requiring negotiations on Palestinian self-determination, despite Begin's efforts to completely de-link the Egyptian-Israeli

negotiations from the Palestinian issue.

In these negotiations, President Carter spoke approvingly in private of Palestinian self-determination -- but, appreciating the impossibility of Begin's agreement to any West Bank/Gaza state, Carter settled for a compromise formula to deal with the issue.

The parties agreed that concurrent with the opening of talks on Palestinian self-rule, or "full autonomy," as Begin called it, local elections would be held among the Palestinian residents of the territories. After these elections, a five-year interim period would commence during which time the West Bank and Gaza residents would govern their local affairs. At the end of the five-year period, a final determination would take place regarding sovereignty over the territories. During the interim period, each party would be free to express its views, but there could be no unilateral action to change the situation -- e.g., no Israeli annexation. As events developed, this formula on the Palestinian issue served as a "least common denominator" for Israel and Egypt, enabling their bilateral agreement to proceed.

Several other key points emerged during the Egyptian-Israeli negotiations. In view of continued U.S. insistence that the PLO explicitly accept Resolution 242 as the basis for a peaceful solution, it is worth noting that at the Camp David talks, Begin strenuously resisted explicit acceptance of Resolution 242, arguing that it did not apply to the West Bank -- because, as Begin said, Israel had "taken it in a war of Arab aggression."

Because of Begin's intransigence on this point, Resolution 242 had to be transferred from the preamble of the Camp David Accords and subsumed into an annex, which was then referred to in a roundabout diplomatic way which allowed Begin to claim that his position on Resolution 242 remained unchanged.

Begin also refused, both at Camp David and in the subsequent Egyptian-Israeli peace treaty negotiations, to accept any language on the Palestinian issue other than his own proposal for "full autonomy." In Begin's discussions with Carter, he made clear that Palestinian "autonomy" in his view must entail Israeli security forces and settlements remaining in the occupied territories; an Israeli veto over the return of Palestinian refugees; and Israeli inputs on decisions affecting groundwater in the West Bank and Gaza. Carter made clear to Begin that such Israeli involvement would undercut any meaningful autonomy, but Begin's position remained unchanged.

Immediately after the conclusion of the Camp David Accords, Begin launched a publicity blitz to highlight his declarations about "Judea and Samaria," autonomy, settlements, etc. Against the backdrop of Begin's propaganda campaign, potential Arab interest in participating in follow-on negotiations to Camp David rapidly dissipated. During the remainder of Carter's term, there was no further movement on the Palestinian issue, with Carter's last year largely taken up by the Iranian crisis.

## The Reagan Administration's Position

In the first two years of the Reagan Administration, several events caused delays in the Palestinian negotiations that were to be a follow-on to the Camp David Accords and the Egyptian-Israeli peace treaty: President Sadat's assassination; the Israeli raid which destroyed Iraq's nuclear complex; Israeli dismissal of Palestinian mayors; and escalating Israeli-Palestinian tensions in Lebanon.

Nevertheless, a series of U.S. presidential representatives (including Donald Rumsfeld and Richard Fairbanks) attempted to move the "autonomy talks" forward with Israeli and Egyptian participation. On April 25, 1982 -- three years after the signing of the Israeli-Egyptian peace treaty -- Israel completed its withdrawal from Sinai (except for Taba, which required years of international arbitration and U.S. efforts, before Israel in 1989 finally agreed to abandon its claim in favor of Egypt's).

Promptly after Israeli withdrawal from Sinai, Begin declared again that Israel would demand sovereignty of the West Bank and Gaza at the end of the five-year transition period; he also vowed that no Jewish settlements would be dismantled as a result of any future peace negotiations. Fairbanks ran into difficulty in trying to restart the autonomy talks; U.S. officials let it be known that the talks would begin again after Begin visited Washington in June.

On June 6, 1982 Israeli forces invaded Lebanon by land, sea, and air -- in "Operation Peace for Galilee." After Israeli

forces pushed beyond southern Lebanon and headed for Beirut, it soon became clear that Israel's purpose was to destroy the PLO militarily and politically, as well as to minimize Syrian influence in Lebanon. One casualty of the Israeli invasion was the "autonomy talks." Humiliated before the Arab world for being the only Arab leader to have dealings with Begin, Mubarak withdrew the Egyptian Ambassador from Tel Aviv and postponed sine die further Egyptian participation in talks with the Israelis on the Palestinian issue.

During Begin's June 19-20 visit to Washington, he and President Reagan agreed that "all foreign forces" should withdraw from Lebanon; meanwhile, the Israeli army bombarded Palestinians in West Beirut. Backgrounding the press, U.S. officials said that President Reagan had deliberately not rebuked Begin over the invasion of Lebanon, and in coming days it would be clear if this restraint had led to Israel becoming more flexible.

Two days earlier, the Israeli government had dissolved several elected city councils on the West Bank because they refused to work with Israeli civilian administrators (instead of military, i.e., occupation, administrators).

Events flowed: Secretary Haig resigned June 25; <sup>a day later</sup> the U.S. ~~June 26~~ vetoed a SC resolution demanding Israeli and PLO withdrawal from Beirut; the IDF for weeks continued aerial and artillery bombardment of PLO positions in the Lebanese capital. Philip Habib negotiated the extraction of PLO leaders and fighters from Beirut, and Arafat departed August 30. Two days

later, the President announced "the Reagan Plan," which he called "a fresh start" for the region.

Making clear that his views represented a more explicit American position on the "root causes of the Arab-Israeli conflict," Reagan made the following key points:

- o Interim Period: During an interim period of five years, Palestinian inhabitants of the West Bank and Gaza should have full autonomy over their own affairs. The five-year period would begin after free elections.

- o Settlement Freeze: The U.S. would not support the use of any additional land for settlements during the transition period. Further Jewish settlement would be unnecessary for Israeli security, while a settlement freeze could create a climate of confidence for wider participation in peace talks.

- o No Palestinian State, No Israeli Annexation: After the transition period, peace could not be achieved by the formation of an independent Palestinian state on the West Bank and Gaza Strip -- nor could it be achieved on the basis of Israeli sovereignty or permanent control over those territories. The U.S. would not support either of those options.

- o The Jordan Option: The best chance for a durable and lasting peace would be "self-government of the Palestinians of the West Bank and Gaza in association with Jordan."

o Resolution 242 -- With a Caveat: The U.S. position remains that -- in return for peace -- the withdrawal provision of Resolution 242 applies to all fronts, including the West Bank and Gaza. "When the border is negotiated between Jordan and Israel, our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization and the security arrangements offered in return."

Israeli Prime Minister Begin rejected the Reagan Plan within days, calling the idea of a West Bank/Gaza association with Jordan a "threat to Israeli security." He reiterated Israel's right to establish Jewish settlements in Judea and Samaria and rejected any suggestion of a freeze. U.S. attention on the Palestinian issue was distracted shortly thereafter by the assassination of Lebanese President-elect Bashir Gemayel and the redeployment of U.S. Marines in Beirut.

In October, the Arab League responded to the Reagan Plan with a counter-proposal: that of a Palestinian state joined with Jordan. Five main PLO factions October 13 denounced this idea, attacking both the Reagan Plan and Arab League resolutions.

On October 25, it was announced that the U.S. would participate in negotiations between Israel and Lebanon; focus on the Palestinian issue sharply decreased. King Hussein, visiting Washington December 21, told President Reagan that Jordan was unwilling to enter Egyptian-Israeli talks on Palestinian self-rule so long as Israel continued to build and

maintain settlements in the occupied territories.

Over the next six years, the region saw considerable efforts, especially by Secretary of State Shultz -- who waged several diplomatic campaigns to draw King Hussein into the negotiating process, together with Palestinians. At one point, Arafat seemed to agree on procedures whereby designated Palestinians might participate, but he drew back after consulting with more hard-line Palestinians. In sum, there was much motion, but no movement.

Meanwhile, the Palestinians indulged in terrorism. Israel carried out reprisals -- notably, the attack on PLO headquarters in Tunis and the assassination of Abu Jihad. The U.S. suffered painfully in Lebanon. Later, the PLO returned to Beirut and engaged in fratricidal wars in the camps, then in wars against the Shiite Amal movement. The Gulf War took center stage in the Arab world, marginalizing the PLO and its cause outside the occupied territories.

The Reagan Administration made no changes in the substance of the Plan announced September 1, 1982, only reinforcing it by insisting on "direct negotiations" between Israel and the Arabs, and by drawing back from traditional U.S. support for "self-determination" -- in the Palestinian context specifically -- because that was understood as a regional codeword for a Palestinian state. (Meanwhile, the Reagan Administration was vigorously in support of self-determination for the Afghan mujahidin.)

At the end of the Reagan term, Arafat -- hoping to lay the foundation for PLO participation in negotiations under a new U.S. administration -- said "the magic words" and fulfilled U.S. conditions for dialogue.

#### The Bush Administration Thus Far

The U.S.-PLO dialogue to this point has been restricted to one channel, through Ambassador to Tunisia Robert Pelletreau and several of Arafat's advisors. Judging from the public record, little progress has been made. The U.S. has mainly remonstrated that the PLO should halt all terrorism, or at a minimum, Arafat should disassociate himself from such terrorism as he cannot control. The U.S. has also warned Arafat that continued attacks against Israel from southern Lebanon -- whether or not such attacks are carried out by factions not loyal to Arafat -- will jeopardize the continuation of the dialogue. Finally, the U.S. has requested the PLO to take "confidence-building measures" by helping to temper the Palestinian uprising.

On their side, the PLO participants have mainly been interested in pushing for an international peace conference, with the PLO as an equal partner. The desired PLO outcome from such a conference, not surprisingly, is an independent Palestinian state on the West Bank and Gaza Strip; that state afterwards might associate with Jordan. PLO representatives have distinguished between terrorism, which they say the PLO has renounced, and legitimate resistance against Israeli occupation, which they say is their right -- internationally recognized under the UN

Charter. The PLO also has given a cool reception to American suggestions that it restrain the Intifada.

Whether the "dialogue" can produce results depends on the willingness and ability of the two sides to go beyond these initial positions. Obviously, both sides also must take Israel's position into account.

In terms of the Bush Administration's Middle East policy, there are perhaps two early points worth noting -- in addition to the continuation of the dialogue with the PLO. The first is that Secretary of State Baker on March 21 publicly repeated and endorsed the Reagan Administration's stand opposing a Palestinian state. Baker several weeks earlier had taken the same line in Congressional testimony, though it was not publicized. In lieu of a state, Baker suggested that the Palestinians for now at least should settle for local autonomy and a period of transition, since it would be unrealistic to expect Israel to grant more than that.

The second notable point of the Bush Administration policy is Secretary Baker's suggestion that the time may come when Israel will have to deal with the PLO, however much Israel wishes to avoid this. Secretary of State Baker said as much in Congressional testimony March 14, just after the visit of Israeli Foreign Minister Arens.

Other elements of Secretary Baker's thinking on the Israeli-Palestinian issue have appeared in the press. Key judgments by

Baker reportedly include the following:

- o As a first step, there should be Palestinian "autonomy" and mutual confidence-building measures. Only after arrangements for these beginnings can the parties begin to think "about a broader PLO-Israel dialogue and direct PLO-Israel talks."

- o Israeli Prime Minister Shamir should submit a "serious autonomy plan" which would be tempting to leaders on the West Bank and Gaza; these leaders could have PLO links. If Shamir produces a serious autonomy proposal, Israel will be protected from European and international pressures for an international conference.

- o Arafat should halt all raids against Israel, or at least disassociate himself from them.

- o The Soviets should prove their good intentions by persuading Arafat to allow West Bank/Gaza inhabitants to take the lead in negotiations, while assuring him that he will not be left out when it comes time to discuss a final settlement.

Israeli Foreign Minister Moshe Arens, who recently completed a visit to Washington, broke no new ground concerning Israel's opposition to dealing with the PLO. While Arens told the press that Prime Minister Shamir did not see the necessity now of submitting a new peace proposal, it was not clear whether Shamir will advance serious new Israeli proposals in May.

## U.S. INTERESTS AND POLICY OBJECTIVES

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No Administration has expressed public support for a Palestinian state. President Carter at one point publicly backed a "homeland" for the Palestinians, but he retreated from this position under political pressure. As we have seen, President Reagan publicly opposed a West Bank/Gaza state, and the Bush Administration has taken a similar stand.

American public opinion in the past has not expressed real support for the establishment of a Palestinian state, nor -- generally speaking -- has the Congress. The Palestinian issue, and solutions for it, have been subordinated to what the U.S. sees as its two main interests in the Middle East region: maintaining the security of Israel, and access to Persian Gulf oil at reasonable prices.

U.S. policy objectives have derived principally from these two interests which, to the extent possible, have been pursued separately. Thus, the U.S. has sought to assist in resolving the Arab-Israeli conflict in order to achieve Israeli security and regional stability; and it has sought to maintain good relations with the Arab oil-producing states because of the importance of Middle East petroleum to Western economies.

Only following the 1973 War -- with the Arab oil embargo -- did these two interests collide. But though Arab oil producers supported the Palestinian cause, that was not the motive for their embargo; and so the question of a Palestinian state did not

enter into those circumstances.

With respect to U.S. military and geo-strategic concerns, no one has argued that the presence or absence of a Palestinian West Bank/Gaza state would have a direct impact on the U.S. If such a state existed, the extent of direct Palestinian threats or contributions to U.S. global interests would be so marginal as to be irrelevant.

With respect to possible indirect impacts on the U.S., some believe that the absence of such a state might help U.S. interests -- in that if all the territories up to the Jordan River belonged to Israel, it would have secure borders -- and thus be in a better position to assist U.S. interests in the region in the event of military conflict. However, experience has shown that the difficulty with this position is that so long as the Arab-Israeli struggle persists, the U.S. must exercise any "Israeli military option" with great caution, lest U.S. relations with the Arabs be jeopardized.

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On the other side of the equation are those who argue that the establishment of a Palestinian state indirectly would help U.S. interests -- because a resolution of the Palestinian problem would remove the "root cause" of the Arab-Israeli conflict and underwrite Israeli legitimacy in the region. Some add that Arab regimes in the Gulf might also feel less constrained by their political need to keep the U.S. at arm's length -- if only the U.S. could help resolve the Palestinian problem.

Difficulties in this reasoning are, first, that a "rump" Palestinian state might provide Palestinian irredentists a base from which to attack Israel on a continuing basis; and second, that even if the Palestinians settled down completely, that would not remove all the causes for regional conflict -- including ongoing difficulties between certain Arab regimes and Israel. (Syria comes to mind, in particular.)

American economic interests would probably be affected only indirectly by the establishment of a Palestinian state; presumably, Arab oil-producing states would moderate their policies vis-a-vis the U.S. somewhat following a satisfactory resolution of the Palestinian problem. Any such moderation could not be expected to go so far as to infringe upon Arab self-interests, of course.

U.S. political interests would be immediately impacted by a decision to establish a Palestinian state -- in proportion to the extent of Israeli opposition. It is impossible to predict unambiguously how these political impacts would fall; one likely course might be that U.S. politicians who supported a Palestinian state would be viewed with disfavor by Israelis and the so-called "Jewish lobby" in the U.S. In view of Israel's traditional strong support in the Congress, it is almost inconceivable that an American political decision -- by the Executive and the Legislative branches -- could take place without a major divisive political debate.

One issue on which nearly everyone agrees is terrorism -- namely, that Palestinian terrorism, especially international terrorism, is abhorrent and reprehensible. Apart from this consensus in principle, the effects of a Palestinian state on the terrorism phenomenon are unclear. Proponents say that a Palestinian state would result in the removal of the causes for terrorism; opponents say that, on the contrary, terrorism would be increased against Israel because the PLO would have its own base immediately adjacent.

One other point upon which there is general agreement is that the continuation of the Intifada and Israel's repression of it have begun to affect U.S. public opinion -- even among Israel's supporters in Congress and in the influential American Jewish community. These factors provide somewhat greater flexibility politically for the Bush Administration in its efforts to move "the peace process" along. Still, it is too early to tell how much these factors will weigh if and when Israeli-Palestinian negotiations somehow are joined.

#### The PLO's Predicament

Disagreement exists over the significance of decisions taken by the Palestinian National Council November 14-15, 1988 in Algiers. Let us review what happened in Algiers: the PNC declared Palestine to be "an independent state" whose full realization should be accomplished by:

- o the convening of an effective international conference, with the participation of Security Council members and all the parties to the region, including the PLO -- on an equal footing
- o Israel's withdrawal from all the Palestinian and Arab territories it has occupied since 1967, including Arab Jerusalem
- o cancellation of all annexation measures and removal of settlements Israel has set up on Palestinian and Arab territories
- o placing the occupied Palestinian territories, including Arab Jerusalem, under UN supervision for a specific period of time
- o the UN Security Council shall enact and guarantee security and peace arrangements among all the countries concerned in the region, including the Palestinian state
- o and, the future relationship between the states of Jordan and Palestine will be established on confederal bases.

Proponents of a Palestinian state say that the PNC's decisions represent an historic Palestinian recognition of the inevitability of compromising their rights because of the reality of Israel's assured continuation. Proponents say that at Algiers, the PLO finally accomplished what the international community had been demanding for years: it recognized Israel and agreed to live with Israel in peace.

Opponents of a Palestinian state say that even if the PNC's declarations mark a departure from past positions, they do not constitute a reliable foundation for peace -- after all, they say, the PLO still intends to liquidate Israel, no matter how long it takes. Opponents point to the "Palestinian Charter" as proof of their view.

Similar disagreements exist over the significance of PLO Chairman Arafat's explicit recognition of Israel's right to exist and his acceptance of Resolutions 242 and 338 as the basis of a negotiated settlement. Proponents say that Arafat, by at last saying "the magic words," has finally qualified the PLO as a viable interlocutor for peace negotiations. Opponents accuse Arafat of merely expressing "semantic formulas" which do not even meet U.S. conditions for dialogue.

Arafat and the PLO face an apparent dilemma in considering the emerging policies of the Bush Administration: the U.S. is suggesting that the PLO stand aside, provisionally at least, in favor of West Bank/Gaza leaders, and that the PLO agree to postpone, perhaps indefinitely, the establishment of a Palestinian state. At the same time, the U.S. is demanding that the PLO calm the Palestinian uprising as a pre-condition to possible negotiations.

In addition to these challenges to the PLO's substantive positions, Arafat faces on the other side both continuing rejection from Israel and attempts by dissident Palestinian factions to carry out strikes inside Israel -- as a means of torpedoing further contacts between the U.S. and the PLO. At this point, it is an open question whether the "dialogue" can last long enough to reach any real achievements.

#### U.S. Policy Options

In light of the recent regional and international developments regarding the Palestinian problem and future U.S.-

Palestinian and U.S.-Israeli relations, U.S. policymakers have reviewed what kind of policy the U.S. should pursue to achieve its interests and regional peace, consistent with security for Israel. Continuation of the Palestinian Intifada has begun to destabilize the 22-year Israeli occupation of the West Bank and Gaza, negatively impacting on Israel's image because of its heavy repressive measures against the Palestinians. Israel is also coming under renewed criticism for its failure to demonstrate seriousness in pursuing a peaceful settlement. Thus, some have come to accept the idea that a Palestinian state on the West Bank and Gaza is the only real solution to the Palestinian problem; others continue to oppose this solution as incompatible with Israel's security.

#### For A Palestinian State

Proponents of this view hold that without a Palestinian-Israeli territorial compromise which includes an independent Palestinian West Bank/Gaza state, the Palestinians and their political leadership will never agree to a resolution of their historic problem. An unresolved Palestinian problem can only mean violence and instability -- for the Palestinians, for the Israelis, for other regional states, and indeed, for the international community. This violence and instability will mean a continued uprising against the Israeli occupation, a possible resurgence of international terrorism, and at some point, another Arab-Israeli war. Accordingly, proponents of a Palestinian state present several options for U.S. policymakers:

- The U.S., taking advantage of demonstrated Soviet willingness to cooperate in resolving regional disputes, should prepare the groundwork for an international conference. Security Council members and concerned parties, including the PLO (or a Jordanian-PLO delegation) would participate. The aim would be a final resolution of issues between Israel and Palestine and an end to the Arab-Israeli conflict. UN and international guarantees would be provided for the security of Israel, Palestine, and all other states in the region. Within the umbrella of the international conference, Israel and the PLO could hold direct negotiations.
  
- As an interim step, and to demonstrate its genuine interest in Middle East peace, the U.S. should declare its support for the Palestinians' right to self-determination -- consistent with the principles of Resolution 242 and 338. In other words, if the Palestinians decided to establish their own West Bank/Gaza state on the territories occupied by Israel in 1967 -- and on that basis agreed to abandon all Palestinian territorial claims within Israel's lines prior to June 6, 1967 -- then the U.S. should support, or at least not oppose, that solution.
  
- At an early date, the U.S., which for several years has endorsed Israel's demand for "direct negotiations" with the Arabs (in lieu of an international conference), should make clear that "direct negotiations" are also necessary between Israel and the PLO: because the PLO is recognized by the overwhelming majority of Palestinians as their sole legitimate political representative. In other words, the U.S. should not endorse Israel's contradictory demand for "direct negotiations" while Israel refuses to talk to the PLO.
  
- As a reaffirmation of its mediating role in the Arab-Israeli conflict, the U.S. should announce that the Palestinian problem and the future of the occupied territories require a political solution and political compromises on all sides. These principles mean that the unilateral "creation of facts" by Israel in the occupied territories is not acceptable to the U.S. -- because it is inconsistent with international standards and because it prejudices necessary political compromises. Therefore, the U.S. opposes the creation of any further Israeli settlements on the West Bank and Gaza and does not recognize the legitimacy of

existing settlements -- whose future must be dealt with in negotiations. The U.S. should reaffirm its adherence to Resolutions 242 and 338, upon which any Middle East settlement must be founded.

Following these policies, it is argued, would not only create a new dynamic for the "peace process" in the region, but it would open the way to a permanent and just peace for all sides. The past cycle of wars and conflict would be broken, and the nations of the Middle East could turn to their own social and economic development which has been so long neglected at so great a cost -- in blood, in human misery, in financial costs, and in opportunities lost.

#### Against a Palestinian State

Opponents of a Palestinian West Bank/Gaza state express fundamental concerns that it would jeopardize Israel's security. A "PLO state," it is argued, could never extricate itself from internal irredentist claims against Israel; indeed, the majority of PLO leaders themselves come from locations which have been "Israel" since 1948. The "Palestinian Charter," which remains the fundamental document of the PLO, to this day makes clear that the Palestinians want and must have ALL of Palestine. These fundamental facts cannot be overridden by whatever statements Arafat and the PLO find it convenient to utter in order to advance their aims. Accordingly, opponents of the Palestinian state say, the U.S. should adopt some or all of the following policy options:

- The U.S. should refuse to participate in an international conference unless its role is strictly defined and limited: no such conference should be so arranged as to isolate the U.S. and Israel in order to place upon them the blame for the conference's failure. Any such conference with plenary powers -- that is, whose decisions are binding -- should be rejected: such a conference would favor the positions of extremist Arab parties over those of Arab moderates. This is why "direct negotiations" are the only way to pursue peace between Israel and her Arab neighbors.
  
- The U.S. should understand that the internal dynamics of the PLO are such that it can never truly reconcile itself to the existence of Israel. This being so, there is no real value in dealing with the PLO as a legitimate player, and certainly not as "an equal partner." Arafat or others may adopt compromise formulas verbally, but they cannot sustain compromise positions beyond a temporary period. Based on this reasoning, the U.S. should reject "direct negotiations" between the PLO and Israel, now and forever.
  
- The U.S. should continue to reject "self-determination" for the Palestinians because this formula means a West Bank/Gaza state. Such a state would threaten Israeli security in the short term and perhaps its existence in the long term. Palestinian national aspirations will have to be satisfied within the restrictions of local autonomy and cooperation with the government of Jordan. Even this much of a Palestinian role in autonomous government will have to be demonstrated as sound by a "transition period" lasting between five and fifteen years. The Palestinians may not like this, but Israelis would not like the contrary: the U.S. must choose between them.
  
- The U.S. need not be doctrinaire in its support for Resolutions 242 and 338. After all, these documents were drawn up under certain existing circumstances, and those circumstances have changed over time. The U.S. should accept that while Israel may under defined circumstances be willing to accept "land for peace," at most the amount of land given over to Palestinian autonomy will be limited -- and given in exchange according to the degree and extent of "peace" which the Palestinians provide Israel. In short, "minor rectifications" are no longer enough for any territorial compromises.

-- There is no practical reason for the U.S. to resurrect its past stand in opposition to Israeli settlements. Settlements exist and will continue to exist; to think otherwise is to indulge in wishful thinking.

Following these policies, it is argued, would provide better chances for the U.S. to help achieve the only realistic peace which is possible: one in which there are no possible security threats to Israel from the territory between the Mediterranean and the Jordan River. It would compel the Palestinian residents of the West Bank and Gaza eventually to recognize there is not going to be a "magic solution" of a West Bank/Gaza state; they would have to come to terms with the facts of their future after seeing that neither the U.S. nor Israel was prepared to hand over to the PLO at the conference table what the PLO could never achieve on the ground.